

(This is a letter from the Governor to hospital boards, physicians and health care employees.)

Why Medicaid Funding Matters To You

Dear Friends,

The current debate in the state Legislature over Medicaid funding is about more than you may have seen in the media. It's about keeping the system going without making deep cuts that will affect virtually every aspect of health care in Mississippi.

Under a fair and comprehensive proposal adopted by the state Senate on a bi-partisan vote of 41-to-7, three taxes paid by some of Mississippi's hospitals would be combined into a single "per-patient-day" tax that would generate some \$200 million. That money would be matched by the federal government and would result in these hospitals receiving an estimated \$1.2 billion in Medicaid reimbursements.

The House has a different approach that dips into general fund revenues and increases tobacco taxes. The House plan gives hospitals a tax break and only covers a \$90 current shortfall in Medicaid; the House plan does not keep the system going for the long-term.

I think you will agree with me that hospitals cannot afford the lost revenue and lost jobs that will result if I am forced to cut Medicaid. It is vital to keep the system going and to maximize the federal match money that goes to hospitals.

In short:

- Medicaid needs a reliable source of revenue for the long-term in order to protect solvency of the program for people who most need the help;
- The comprehensive plan developed by the Mississippi Hospital Association and the Division of Medicaid is the best, fairest solution;
- Without SB 2013 as currently written, state law will force me to make significant cuts. While no Medicaid recipient will be cut off the rolls,

the reductions will come mostly from hospital reimbursements;
covering the \$90 shortfall in state share means total cuts of about \$375
million.

The Special Session resumes on June 26. Please contact your legislator and
tell him or her to support the only plan that keeps the system going for the
long-term, SB 2013.